

### **LEGISLATURE TO RECONVENE WEDNESDAY, AUGUST 4**

Having spent its scheduled summer recess working out Budget issues, the Legislature decided last Thursday to take an extra couple of days off this week. Instead of reconvening on Monday, August 2, as originally scheduled, the Legislature will not return until Wednesday, August 4.

The August 31 legislative deadline for approving bills, which is set by the state Constitution, remains the same.

### **JUDICIARY BUDGET**

Governor Schwarzenegger on Saturday signed a state budget that reflects increased funding for the judiciary branch when compared to the Governor's January proposals for the courts. The additional funding is pursuant to the Governor's upward revisions to the judiciary budget presented to the Legislature in May.

The new budget provides a \$44 million augmentation to fund salaries, retirement and various benefits for court employees. Another \$8 million will cover judges' salary enhancements relative to an increase approved last year. Security, an ongoing concern among the courts, is targeted to receive \$29 million to fund improvements and upgrades.

In addition to the budget itself, various trailer bills accommodate the statutory changes needed to implement the approved expenditure plan. One such trailer bill, [SB 1102](#) (Senate Committee on Budget & Fiscal Review), will provide approximately \$12 million in additional funding for the courts by extending the court security fee for an additional year. [SB 1102](#) also eliminates juror pay for government employees, resulting in a savings of \$2.3 million to the courts.

### **PUNITIVE DAMAGES PILOT PROJECT PART OF FINAL BUDGET ACCORD**

A modified, two-year statute that would re-direct 75% of all punitive damages awards to the state, was also part of the Budget package signed into law by Governor Schwarzenegger Saturday.

The change, included as one provision of [SB 1102](#) (Senate Committee on Budget & Fiscal Review), one of several Budget "trailer bills," represents a substantial compromise from the Governor's

original proposal introduced in May. Most significantly, the Governor's proposal to limit the number of punitive damages awards a defendant must pay for the same or similar conduct to one was not part of the final bill. As an urgency measure, the bill's provisions will take effect immediately.

The new law will provide, with respect to an action filed after the effective date of the bill that results of a final judgment or settlement that is rendered on or before June 30, 2006, and includes punitive damages, that the punitive damages shall be apportioned 25% to the plaintiff or plaintiffs and 75% to the Director of the Department of Finance for deposit into a new Public Benefit Trust Fund. The fund would be administered by the department. Of the amounts deposited into the fund, 25% would be continuously appropriated to pay the plaintiff's attorney, and the remainder would be available for annual appropriation in the Budget Act, to be used for purposes consistent with the nature of the award.

### **LAW REVISION COMMISSION FUNDING MAINTAINED**

The California Law Revision Commission, at one point slated for elimination by the Governor's Department of Finance, will continue for another year under the Budget signed into law Saturday.

The Governor did line-item veto \$150,000 in funding for the CLRC, leaving it with the same \$527,000 budget as it had in 2003-04. The additional funding had been added by the Legislature to being the commission back to its prior (2002-03) funding level. In his veto message, the Governor noted that: "Given the fiscal condition of the State, this reduction is necessary to help build a prudent reserve and bring ongoing expenditures in line with existing resources over the longer term."

### **DEADLINES UPCOMING**

- [August 13](#) -- Last day for Fiscal Committees to meet and report bills to Floor.
- [August 16-31](#) -- Floor session only. No committees may meet for any purpose;
- [August 31](#)-- Last day for each house to pass bills; Final Recess begins on adjournment (Art. IV, Sec. 10(c)).
- [September 30](#) -- Last day for Governor to sign or veto bills passed by the Legislature on or before September 1 and in his possession on or after September 1 (Art. IV, Sec. 10 (b)(2)).